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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/215,058	12/17/1998	NED HOFFMAN	STA-14	7856

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EXAMINER

MYHRE, JAMES W

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 10/23/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.
09/215,058

Applicant(s)
Hoffman et al

Examiner
James W. Myhre

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on Sep 18, 2002.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-12, 23, and 24 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-12, 23, and 24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 10 & 12 6) ☐ Other:

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DETAILED ACTION

Response to Amendment

1. The amendment filed on September 18, 2002 is sufficient to overcome the Musgrave et al (6,202,151), Musgrave et al (6,105,010), Stinson et al (6,045,039), and Houvener et al (6,070,141) references.

Double Patenting

2. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321© may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

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Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer.

A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b). The Applicant indicated on page 5 of the amendment filed on April 22, 2002, that a "terminal disclosure is filed herewith to overcome the rejection of claims 1-12 as being double-patented". As the Examiner noted in the subsequent action (paper number 9) on June 20, 2002, no evidence has been found that the terminal disclaimer was actually submitted. Therefore, the Examiner maintains the double-patenting rejection of Claims 1-12 as indicated below.

Claims 1-12 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1, 5, 6, 9-1, 20, 21, 24-26, 28, and 29 of U.S. Patent No. 5,870,723 in view of claim 1 of U.S. Patent 6,269,348.

The subject matter claimed in the instant application is fully disclosed in the patent and is covered by the patent since the patent and the application are claiming common subject matter, as follows: the patent is claiming a method for tokenless authorization of commercial transactions using biometric data by comparing the user's current biometric data with previously stored biometric sample data. There are only two differences between the patented claim 1 and the present claim 1. First, the patent includes the feature of the seller registering not only an account number as in the application, but also a seller identification code. However, in claim 7 of the patent the seller identification code is the same as the seller's account number, therefore eliminating this difference between the claims. Second, the patent includes the feature of the

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buyer registers not only an account number and biometric sample as in the application, but also a personal identification number (PIN). The Examiner notes that the exclusion of the requirement to register a PIN would have been an obvious variation of the patent. Indeed, in Claim 1 of Patent No. 6,269,348, which claims priority from the above patent, the Applicant only requires the buyer to enter a biometric sample and an account number.

The other dependent claims listed above are substantially word-for-word duplicates of the dependent claims of the patent. The Examiner notes, however, that the parties involved in the transactions are identified using different terminology. In the patent, the parties are identified as the buyer and the seller. In the instant application, they are identified as the user and the seller. Since both sets of terms refer to the two parties involved in a transaction, the Examiner finds no patentable distinction by this use of alternative terminology.

Furthermore, there is no apparent reason why applicant was prevented from presenting claims corresponding to those of the instant application during prosecution of the application which matured into a patent. See *In re Schneller*, 397 F.2d 350, 158 USPQ 210 (CCPA 1968). See also MPEP § 804.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1, 3-6, 8, 10, 12, 23, and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Musgrave et al (6,202,151) in view of Daugman (5,291,560).

Claims 1, 23, and 24: Musgrave (151) discloses a method for authorizing transactions using biometric identification, comprising:

- a. Registering the user's (customer's) biometric and account data (col 6, lines 42-51);
- b. Adding the customer's current biometric data to transaction offer data upon acceptance of the transaction by the customer (col 5, lines 15-22);
- c. Transmitting the combined data to a remote authentication system (col 5, lines 27-35);
- d. Comparing the transmitted biometric data with the stored registered biometric data to verify the identity of the customer (col 5, lines 53-63);
- e. Transferring the payment between the customer's account and the merchant's account (or another of the user's accounts, e.g. electronic funds transfer from checking account to savings account)(col 6, lines 13-15); and
- f. Presenting the results to the customer, merchant, or both (col 6, lines 13-15).

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While Musgrave discloses comparing the customer's current biometric data with the stored biometric data to verify the identity of the customer (i.e. a one-to-one comparison), it is not explicitly disclosed that the current biometric data is being compared to biometric samples from a plurality of customers in the database (i.e. a one-to-many) to determine the identity of the current customer. Daugman discloses a similar method for using biometric data (iris codes) to identify individuals in which the comparison may be between "two iris codes, as well as exhaustive searches through large databases of stored iris codes" and "could exhaustively compare a 'presenting' iris code against a population of 80 million previously stored iris codes within one second, to establish reliably whether the individual is any one of those persons" (col 18, lines 1-9). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to compare the current biometric data collected by Musgrave against a plurality of stored biometric data to identify the customer and, since Musgrave has linked the customer's account and biometric data, the customer's account number. One would have been motivated to compare the current biometric data to a plurality of stored biometric data in order to automatically and unobtrusively identify the customer without the need for the customer to present any kind of token, PIN number, signature, or the like automatically as discussed by Daugman (col 1, lines 52-55).

While Musgrave (151) discloses using this biometric identification system for electronic transactions and banking functions (e.g. ATM terminal)(col 1, lines 32-35) to include transferring funds between accounts, it is not explicitly disclosed that the merchant's account is going to be

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pre-registered with the system, nor that the merchant proposes a transaction offer to the customer. The Examiner notes that it is common to pre-register merchants and their account numbers with commerce systems for a variety of reasons. For example, pre-registering merchants provides a higher level of assurance to the customer that the merchant is an “approved” merchant that can be trusted to provide the goods/services. Pre-registering merchants also enabled the system to charge a pre-negotiated transaction fee to the merchant, such as is common with credit card transactions. By pre-registering, merchants are also able to complete transactions without having to transmit their account number over unsecure lines (e.g. the Internet) each time. For these and other well known benefits, it would have been obvious to one having ordinary skill in the art at the time the invention was made to register the merchant and to include at least one of the merchant’s financial account number. One would have been motivated to include such a registration step for the merchants in the Musgrave (151) invention in view of the reasons above and Musgrave’s (151) discussion of the importance of data protection on the Internet.

The Examiner notes that the definition of the merchant’s transaction offer in Claim 1, wherein “the proposed commercial transaction comprising price information”, reads on a catalogue, an advertisement, sales flyer, or verbal price quote by the merchant. Since almost all customers (except, possibly, extremely rich customers) would want to know the price of the goods/services before purchasing the goods/services, it would have been obvious to one having ordinary skill in the art at the time the invention was made for the merchant to present the price of the goods/services to the customer. One would have been motivated to present the price to the

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customer in order to allow the customer to make a better business decision on the quality of the offer.

Likewise, the limitation of step f above presenting the results to the customer or merchant is not explicitly disclosed. However, the cited passage and col 3, lines 60-63) disclose that the “receiver responds to the authentication decision and processes the electronic transaction as being authentic from the user or as fraudulent”. The Examiner notes that it is normal practice in the retail arts to inform the participants when a transaction is completed. This may take place by printing a receipt, displaying an approval message, activating an approval light on a cash register, or transmitting an approval indication via mail, fax, email, phone, etc. Since Musgrave discloses processing the transaction upon authenticating the identity of the user, it would have been obvious to one having ordinary skill in the art at the time the invention was made to present the results to the customer, the merchant, or both. One would have been motivated to present the results to the participants in order to enable them to verify that the transaction was complete and that the goods could be transferred to the customer.

Claims 3-6: Musgrave (151) and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, neither reference explicitly discloses using an account code to select an account, assigning a name to the account code, nor displaying a list of the accounts to the customer upon successful identification. Official Notice is taken that it is old and well known within the banking arts to display a list of accounts to a user (such as when operating an ATM terminal) and to identify the accounts using account codes and account names.

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For example, when a customer logs onto an ATM terminal and selects the type of desired transaction, the terminal will display a list of pertinent accounts and ask the customer to select one or more (depending upon the type of transaction). The list of accounts do not normally show the entire account number, which may be quite extensive in length, but rather the list consists of an account code (e.g. A, B, C, and D) and an associated account name (e.g. checking, savings, Christmas Club, money market). The customer normally selects the desired account by pressing the keyboard button indicated by the account code. A similar system is used to allow a customer to select the desired account when completing a transaction at a merchant's facility, such as a travel agency. If the customer has several travel accounts (e.g. business, executive, and personal), the system will display the list of the customer and allow the customer to enter the account code for the desired travel account. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to display a list of accounts to Musgrave's (151) customer using account codes and account names and to allow the customer to select the desired account. One would have been motivated to display and use such a list in order to eliminate the need for the customer to remember the lengthy account numbers of each account, thus facilitating a more expeditious selection of the desired account and decreasing the opportunity for erroneous (undesired) selections.

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Claim 8: Musgrave (151) and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, and Musgrave (151) further discloses the data being communicated between remote computer systems to determine resources and/or construct the credit authorization draft (col 3, lines 40-64).

Claim 10: Musgrave (151) and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, but neither reference explicitly discloses that the customer can receive cash back during the transaction. The Examiner notes that cash back transactions are extremely well known throughout society and are the major means for many people to maintain their supply of cash-on-hand for small purchases. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the customer in Musgrave (151) to receive cash back during a transaction by entering an amount that exceeds the amount of the goods/services being purchased. One would have been motivated to allow a cash back transaction in order to increase customer satisfaction and goodwill and to allow the customer to have the cash to “tip” the merchant representative for exceptional service, provide change for parking meters, etc.

Claim 12: Musgrave (151) and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, and Musgrave further discloses the type of biometric data being used consisting of one or more of a fingerprint, a retinal image, or voice print (col 4, lines 23-47).

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5. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Musgrave et al (6,202,151) in view of Daugman (5,291,560) and in further view of Stinson et al (6,045,039).

Claim 2: Musgrave (151) and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, but neither reference explicitly discloses determining if the customer has sufficient funds in the account. Stinson discloses a similar method for authorizing transactions using biometric identification which also discloses determining if the customer's account has sufficient funds (col 7, lines 60-61). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to determine if the customer's account in the Musgrave (151) invention contained sufficient funds. One would have been motivated to determine this in order to proceed with the electronic funds transfer as disclosed by Musgrave (151).

6. Claims 7 and 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Musgrave et al (6,202,151) in view of Daugman (5,291,560) and in further view of Musgrave (6,105,010).

Claim 7: Musgrave (151) and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, but neither reference explicitly discloses creating a credit authorization draft. The Examiner notes that credit authorization drafts as disclosed by Claim 7 are well known within the business arts and are used extensively in business-to-business transactions to allow transactions to be completed, for example, without the need to pre-approve a transaction in which the final price may not be known ahead of time (i.e. repair of

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an office machine). Furthermore, Musgrave (010), which claims priority from the same provisional applications as the (151) reference, discloses a similar method for authorizing transactions using biometric identification and also discloses creating a credit authorization draft (col 5, lines 35-42). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to create a credit authorization draft in the (151) reference. One would have been motivated to include the creation of a credit authorization draft in the (151) reference in view of the simultaneous filing of both applications based on the same provisional applications and in order to facilitate business-to-business transactions without overburdening the two accounting departments.

Claim 9: Musgrave (151) and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above. While Musgrave (151) discloses including and using the transaction data in the method, it is not explicitly disclosed that the transaction data contains one or more of a list of goods/services, a seller name, a date and time, a location, or an invoice number. The Examiner notes that these are well known elements usually contained in transaction data files. Furthermore, Musgrave (010) discloses a similar method for authorizing transactions using biometric identification, which also discloses the transaction data including goods/services (software or music data - col 4, lines 23-32), location (shipping instructions - col 5, lines 35-42), etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include one or more of these elements in the Musgrave (151) transaction data. One would have been motivated to include these features in order to

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facilitate delivery of the purchased goods/services and to better identify the transaction for accounting processing by all parties concerned.

7. Claim 11 is rejected under 35 U.S.C. 103(a) as being unpatentable over Musgrave et al (6,202,151) in view of Daugman (5,291,560 in further view of Houvener et al (6,070,141).

Claim 11: Musgrave (151) and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, but neither reference explicitly discloses checking for duplicate biometric data during the user registration process. Houvener discloses a similar method for authorizing transaction using biometric identification which further discloses checking incoming registration biometric samples against previously stored biometric samples to prevent duplicate registration of individuals, either inadvertently or for fraudulent purposes (col 6, lines 52-67 and col 7, lines 38-42). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to checking the registration database in Musgrave (151) for duplicates during user registration. One would have been motivated to check for duplicate biometric data in order to prevent users from defrauding the system by opening more than one account with different aliases as disclosed by Houvener.

Response to Arguments

8. Applicant's argument that the rejections are traversed has been considered but is moot in view of the new ground(s) of rejection.

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Conclusion

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

A. Bouchard et al (5,787,187) discloses a system and method for biometric identification in which the individual is identified using the acoustic properties of the ear canal. The subsequent biometric data is compared against the stored biometric data "for all individuals in the database. ...If a sufficiently close match is found with the stored features of at least one individual, then the identity of the best matched individual is recognized, and access is granted" (col 8, lines 1-11).

B. Freedman et al (6,259,805) discloses a system for biometric identification of an individual by comparing (registering) a plurality of biometric data samples taken from the individual with the store biometric data in the database. If multiple close matches are found, the next biometric sample is compared to the first set of matches to further narrow the possibly identities. If needed, additional biometric matching is done to the ever narrowing group until a single individual with the highest "match score" is found, identifying the individual currently submitting the biometric data samples (col 21, lines 6-41).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:30 a.m. to 3:30 p.m.

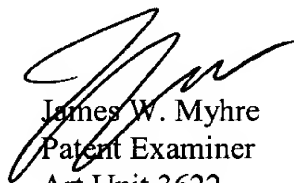
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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 3600 is (703) 872-9326. Draft or Informal faxes may be submitted to (703) 872-9327 or directly to the examiner at (703) 746-5544.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.



JWM
October 18, 2002



James W. Myhre
Patent Examiner
Art Unit 3622